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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 04/15/08

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ARTICLES:

(1) Government to automatically withhold medical insurance premiums from pension benefits of very elderly starting today; Dismay widespread due to government's lack of effort to publicize new system

TOKYO SHIMBUN (Page 2) (Abridged slightly)
April 15, 2008

The government begins today withholding medical insurance premiums from pension benefits of those 75 and over under the very elderly medical system. The system has already created confusion due to miscalculated insurance premiums, the imperfect delivery of new

insurance cards, and other factors. Further, the government's efforts to publicize the new system have been insufficient. Dismay and discontent are widespread among elderly people.

Under the new system, individuals first take out medical insurance in their respective prefectures, and all individuals pay insurance premiums in principle. Those who are dependents of their children with corporate insurance and those working at companies have been forced to leave employees' health insurance. Those with National Health Insurance have also shifted to this system.

In the case of a couple, the husband or wife joins this system when that person turns 75, making the two pay premiums separately. As seen in miscalculations by municipalities, the deduction and exemption system is also quite complicated.

The new system is designed to cut medication and other types of waste by having physicians in charge give comprehensive medical treatment to patients with chronic illnesses, such as diabetes, dementia, and high blood pressure. A system in which people can receive examinations and treatment as many times as needed at fixed monthly fees has also been introduced.

This has resulted in the widespread misconception that very elderly people will not be able to consult doctors freely. The system is now drawing fire in various parts of the country as a scheme ignoring the elderly.

The system aims at curbing medical expenses by increasing transparency in medical benefits and fees by separating those 75 and older, whose healthcare costs are on the rise.

The system costs 1.8 trillion yen, and 50 PERCENT of it is funded

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by tax money, like the old health insurance system for the elderly, 10 PERCENT by premiums by the elderly, and the remaining 40 PERCENT by premiums by younger generations.

The Ministry of Health, Labor and Welfare (MHLW) has placed little emphasis on explaining the system, taking the position that the burden to be born by the elderly will be the same level as before. In reality, the system puts additional burdens on 2 million people who have been dependents of their children and others, though there are reduced rates and exemptions. It also means greater burdens for the majority of low-income earners in urban areas, which have been holding down insurance premiums by putting taxes in the National Health Insurance account.

Ninety-nine percent of people over 75 have paid national insurance premiums. Still, there is strong discontent about the government automatically withholding medical insurance premiums from pension benefits, given the possibility that the government has not paid out pension benefits correctly due to its pension-record mismanagement.

The MHLW has played up the system's advantage, saying that the elderly do not have to go to financial institutions to pay their premiums. The ministry's awareness is a far cry from dispelling a sense of distrust in the automatic withdrawal system.

(2) Japan adrift: Time to act to make future bright

NIKKEI (Page 1) (Abridged)
April 15, 2008

Prescriptions for Japan:

- ? Be aware of costs as an aging society
- ? Become a country with sustainable economic growth that provides "mid-level welfare with mid-level burden"
- ? Handle social security reform as suprapartisan policy task

Vibrant Asia. Changing Europe. In contrast, Japan. . . . While other countries of the world are making brisk moves, Japan appears to be alone and inward-looking. Japan appears not powerful enough to bring about change. Japan seems adrift. But Japan should not make its

future gloomy.

Nursing homes for elderly people with dementia have been built one after the other in Kasumigaoka City, Ibaraki Prefecture. Each home accommodates some 200 elderly persons. What is going on those homes at present is "what was never imagined at the beginning," said an official from the Ministry of Health, Labor and Welfare.

In April 2006, the government made revisions to the nursing home system; as a result, those who are allowed to live in nursing homes are now limited to local residents living in the area. But a city government official in charge noted: "Nearly half of the residents in nursing homes even now are from Tokyo.

Overcrowded cities suffer a shortage of nursing homes. Meanwhile, local cities are unable to afford the costs for them to pay for elderly people.

Japan is aging faster than any other country. One out of six elderly persons needs nursing care. The population of people aged 65 or above is 27 million, but this population will expand to 36 million

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in 2020. However, the social welfare systems for pensions, medical treatment, and nursing care are not necessarily functioning properly.

"We are sorry to say that there will be no consultations today." This kind of announcement is increasingly heard in hospitals across the country. According to a survey by an industry organization of 2,800 hospitals, 521 hospitals said they had suspended hospitalization, and 439 hospitals said they closed some departments for consultations.

The number of patients is on the rise, but the number of doctors is on the decrease, and the health insurance system lacks funds. The sharply falling birthrate has made it difficult for the generations now working to receive the same pension amount as the current elderly receive. At the same time, there may be organizations that are of no use, and the current way of managing the systems may be wrong. If the systems are managed a little more efficiently, money may be shifted to the area of greatest need for funds. What is clear at present is that the situation in Japan is serious and that revenue sources are limited. Because Japan has left the (social welfare) problem unattended for many years, prescriptions are limited.

What are politicians doing to deal with that problem? At the World Economic Forum in Davos early this year, Prime Minister Fukuda, after introducing himself, said, pointing to former State Minister in Charge of Economic and Fiscal Policy Heizo Takenaka, who was also attending the forum: "All reforms have been already done by this person. Nothing has been left for me to do."

Politics needs to emerge from its indecisiveness

It is politicians' responsibility to fix the situation. The Organization for Economic Cooperation and Development's (OECD) Secretary General Gurria said: "Because of its falling birthrate and

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aging population, Japan is placed in a more disadvantageous situation than other countries." When asked what she would do to deal with that, Gurria said: "I wouldn't cite 'political difficulties' to do nothing in order to justify myself."

On April 11, the government and the ruling parties agreed to the prime minister's last-ditch proposal to move revenue sources set aside for road construction into the general account. This agreement is seen as a byproduct of the divided Diet, but it could lead to moving reform forward. It is a good thing if funds used for social welfare will expand. Debate on a method to finance basic pensions entirely from tax revenue, for instance, the consumption tax, instead of insurance premiums is gaining momentum.

Increasing the burden does mean bullying the weak. Currently, one

out of five is an elderly person, but in 50 years, half the population will be elderly. Politicians must explain why it is impossible for younger generations alone to bear the social welfare burden. A growing population leading to economic growth and increased tax revenues is a thing of the past. Japan, which is no longer a rising country, needs to sustain economic growth by making the best use of the market system and globalization. For that end, it is necessary for Japan to drastically shift its current social welfare systems from low burden and mid-level welfare to mid-level burden and mid-level welfare.

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Politicians need to select items that will not be used as subjects for political struggles and need to be handled in a suprapartisan manner. At the top of them would be social welfare reform. If politicians are unable to do so, it will be impossible for us to expect political leadership.

(3) Former LDP Secretary General Nakagawa: Prime Minister Fukuda should convey his own views to public

NIKKEI (Page 2) (Full)
April 15, 2008

Questioner: The criticism is that there is "a political slump" due to paralysis in policy-making caused by the divided Diet.

Nakagawa: One of the causes of the confusion is internal strife in the Democratic Party of Japan (DPJ), which dominates the House of Councillors, with an eye on its presidential election (in September). When one group in the DPJ tries to hold discussions with us, the other group kills it. The DPJ has repeatedly done such a thing.

Questioner: The government and ruling parties have agreed on a plan to integrate the revenues from road-related taxes into the general account starting in fiscal 2009.

Nakagawa: With this plan, we will seek discussions through the end of April, but chances are that the DPJ will not accept our plan. Unless the DPJ comes to the negotiating table, we won't be able to find middle ground.

Questioner: Are there any measures to resolve problems caused by the divided Diet?

Nakagawa: The latest one-on-one debate (between Fukuda and DPJ head Ichiro Ozawa) was good, wasn't it? The prime minister's thoughts were felt. The leaders should conduct such a debate every day. It is good to show the public what is really going on and what the two leaders are thinking. Public opinion may move the stalled consultations between the ruling and opposition parties, including the DPJ.

Questioner: Recently, the prime minister himself is trying to break the impasse in policy consultations.

Nakagawa: Since the prime minister originally intended to come out with various reforms in April, materials have been prepared. If he directly explains his thoughts to the public and if he holds on to his resolve for reforms, his grip on the party will strengthen.

Questioner: Some say that the Fukuda cabinet should be shuffled as early as possible because Prime Minister Fukuda retained most of the ministers of the former Abe cabinet.

Nakagawa: I have heard people say this. (Waiting for the proper timing) the prime minister should form his own (cabinet). It is usually difficult to shuffle a cabinet while the Diet is in session.

Questioner: In order to force an early dissolution of the House of Representatives for a snap election, the DPJ has drawn a clear contrast with the government and ruling coalition.

Nakagawa: The Lower House members should serve in their posts until their terms expire. Some in the LDP say that the Lower House should not be dissolved before the end of the next year's G-8 summit. (In connection with his remark that was taken to mean he had mentioned a possible dissolution of the Lower House) Former Prime Minister Junichiro Koizumi angrily dismissed the idea.

Questioner: How about the possibility of a grand coalition (between the LDP and DPJ), which once hit a roadblock, or a partial coalition?

Nakagawa: In an effort to stabilize politics, we will respond to any measures. However, nothing is likely to happen before the end of the LDP presidential race.

Questioner: How about a political realignment?

Nakagawa: What I said includes that.

(4) Kazamidori (Weathervane) column: Need for six-party talks on Burma

NIKKEI (Page 2) (Full)
April 13, 2008

By Hisayoshi Ina, senior editorial writer

I want the readers to understand why I am using the old name Burma instead of Myanmar, which the Japanese media prefer.

My purpose in writing this column is to urge the Japanese government to shift its current policy, which has resulted only in coddling the military government that runs Burma. The reason is because one of my proposals would be to change from using Myanmar, the name given by the military junta, to the old name Burma.

I would like to list three basic points that are preconditions for my argument:

1) A socialist government ran Burma for 26 years, but was toppled in 1988 by a pro-democracy group. However, the Burmese military smashed the movement and assumed full power to run the country.

2) In 1990, the National League for Democracy led by Aung San Suu Kyi won the general election. Ignoring the result of the election, the military junta has continued to stay in power since then.

3) The military government will conduct a national referendum on May 10 to ask the public to approve a newly drafted constitution. The new constitution approves the status quo in the country. Based on the new code, the military junta plans to hold a general election in [2010](#).

The website of Japan's Foreign Ministry states that in order to promote democratization and improved human rights in "Myanmar," Japan will persistently urge both the current government and the democratic forces, including Aung San Suu Kyi, to hold a dialogue. Japan will continue to maintain relations with both sides, so as to not isolate "Myanmar."

That is the way the Japanese government deals with Burma

Perhaps taking such an ambiguous strategy in the 1990s was unavoidable.

Japanese conservatives have long felt close to Burma, which traditionally has been a pro-Japanese country. Politicians were concerned that if pressure was applied, Burma would move toward China.

Japan's strategy was not only totally ineffective, it instead worsened the situation. That was demonstrated by last September's demonstrations, and their suppression, and by the fatal shooting of Japanese journalist Kenji Nagai.

It is time for the Japanese government to admit to a failure in its policy and change it. It will be too late to do so after Burma's national referendum. There is a view calling for policy shift in the mainstream of the Foreign Ministry. Conditions at home and abroad have been met.

Firstly, Burma's insincere response to the Nagai incident and North Korea's response to the abduction issue are exactly the same. If Japanese conservatives, who take a tough stance toward the North, continue to back the military junta in Burma, it means that their policy lacks consistency.

Secondly, there is little chance now that Burma will be urged to go over to the Chinese side. China itself is busy with dealing with its own Tibetan problem prior to the Beijing Olympics and Shanghai Exposition. Beijing has no breathing room to stand up for Burma's military junta, which is being criticized by the international community.

If Tokyo urges Beijing to hold six-party talks on the democratization of Burma, it would be difficult for it to refuse the proposal. The six countries would be Burma, China, India, Japan, Thailand, and the United States in alphabetical order.

When I proposed this idea at an international conference, a India, the United States, the Association of Southeast Asian Nations, and the European Union be participants in the talks.

The suggestion was that the EU, which has taken a tougher stance toward the human right issue than Japan, be included in the group of six countries, and that Japan be excluded. I see in the suggestion the complicated mind of a Chinese intellectual.

Like the six-party talks on North Korea's nuclear programs, the framework of this kind of talks is premised on "same bed, but different dreams" notion -- the north wind policy and sunshine policy groups. The framework functions with the two groups.

To that end, the north wind policy is needed at first. Lure Burma's military government to talks after stopping the north wind.

The U.S policy of freezing funds to North Korea was effective. The North returned to the negotiating table after the freeze was lifted. A joint statement was issued, although it was insufficient. But the wind stopped, and the North began to ignore the accord.

The United States, Australia, and Canada have already taken such financial measures to suspend trade by individuals and corporations.

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If Japan joins the sanctions, similar to those that were used against North Korea, the effectiveness would increase.

The United Nations and the governments and media of major countries use the word Burma and not Myanmar. The U.S. and British governments and the British Broadcasting Corporation (BBC) also use Burma. If Japan quits using the word Myanmar and substitutes Burma, the wind will be once more blowing against the military junta. My column is a test for Japan to meet that challenge.

SCHIEFFER